

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0421-01
Bill No.: SB 37
Subject: Business and Commerce; Contracts and Contractors; Governor and Lt. Governor;
Public Records, Public Meetings; State Departments; Uniform Laws
Type: Original
Date: January 16, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Conservation, Department of Transportation, Department of Insurance** and the **Secretary of State's Office – Divisions of Administrative Rules and Business Services** assume the proposal would have no fiscal impact on their agencies.

Officials from the **Department of Revenue (DOR)** assume this proposal will require all systems that support electronic transactions which require an electronic signature to conform to the requirements contained within the proposal. DOR notes they have several systems which facilitate electronic transactions, however, the department's Chief Information Officer has indicated there will be no administrative fiscal impact to implement this proposal.

Officials from the **Office of Administration – Office of Information Technology (OIT)** state there are several issues related to electronic transactions and digital signatures that will require the development and support of policies, standards, and procedures. OIT assumes some state entity will need to be responsible for these functions. OIT notes such responsible entity is not identified in this proposal; however, in a previously introduced proposal, these responsibilities are assigned to the OIT. OIT assumes their office would be the logical office to house the responsibilities. OIT assumes, regardless which office is assigned responsibility, costs to General Revenue Fund, associated with the proposal, would be \$284,860 in FY 2004; \$78,933 in

ASSUMPTION (continued)

FY 2005; and \$80,905 in FY 2006. OIT assumes costs would result from hiring an additional Computer Information Technology Specialist I, and the use of industry experts (consultants) in the first year.

Oversight notes the proposal does not specifically assign functions to a state entity and therefore assumes the direct administrative fiscal impact to be zero.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses would need to become familiar with the provisions of the new Uniform Electronic Transactions Act.

DESCRIPTION

This proposal repeals the current Missouri Digital Signatures Act contained in Sections 28.600 through 28.681, RSMo. The proposal would enact the provisions of the Uniform Electronic Transactions Act which would make electronic transactions as enforceable as traditional paper transactions if the parties agree to transact electronically. There are some exceptions for

documents which must still be executed manually including laws governing the creation of DESCRIPTION (continued)

execution of wills, codicils or testamentary trust and other certain provisions of the Uniform Commercial Code.

This proposal is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Secretary of State's Office
 Administrative Rules Division
 Business Services Division
Office of Administration
 Office of Information Technology
Department of Transportation
Department of Conservation
Department of Insurance
Department of Revenue



Mickey Wilson, CPA
Director

January 16, 2003